

Message Text

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ACTION EUR-12

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FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 7973

INFO AMCONSUL LENINGRAD

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C O N F I D E N T I A L MOSCOW 18102

E.O. 11652: GDS

TAGS: EFIN, PINT, UR

SUBJECT: SOVIET DUTY ON REMITTANCES FROM ABROAD

REF: (A) STATE 277871 (NOTAL); (B) MOSCOW 16666 (NOTAL);
(C) MUNICH 2711 (NOTAL); (D) MOSCOW 16942 (NOTAL)

1. EMBASSY RECEIVED ON DECEMBER 16 MINISTRY OF FOREIGN AFFAIRS REPLY TO INQUIRY OF NOVEMBER 11 ON ABOVE SUBJECT. MFA LETTER SIMPLY STATED FOLLOWING: QUOTE ACCORDING TO INFORMATION RECEIVED FROM COMPETENT SOVIET ORGANIZATIONS, THE STATE DUTY UNDER CONSIDERATION DOES NOT REPRESENT AN ADDITION TO OTHER COLLECTIONS. IN CONNECTION WITH THE INTRODUCTION OF THE DUTY NO NEW OBLIGATIONS OF ANY KIND ARISE FROM AMERICAN CITIZENS ON REMITTANCE OF MONEY TO A SOVIET CITIZEN. UNQUOTE.

2. IN EFFORT TO EXPAND ON LESS-THAN-FULL EXPLANATION FROM MFA, EMBOFF ON DECEMBER 17 DISCUSSED SUBJECT WITH BANK FOR FOREIGN TRADE (CHIEF MANAGER VLADIMIR S. KHAVRONSKY) AND V/O "VNESHPOSYLTORG" (OFFICE DIRECTOR FNU KONONOVSKY). ACCORDING TO KHAVRONSKY, AFTER JANUARY 1 REMITTANCES TO SOVIET CITIZENS FROM ABROAD, WHETHER VIA BANK TRANS-
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FER OR PERSONAL DELIVERY OF FOREIGN CURRENCY CHECK, CAN

ONLY BE EFFECTED IN RUBLES AT THE CURRENT OFFICIAL RATE OF EXCHANGE. THE NEW DUTY OF 30 PERCENT WILL BE DEDUCTED FROM TOTAL AMOUNT DUE AND BALANCE IN RUBLES DELIVERED TO RECIPIENT. THERE ARE TO BE NO OTHER DEDUCTION, EITHER FOR DUTIES, TAXES OR BANK FEES. OPTION TO ACCEPT REMITTANCES IN HARD CURRENCY COUPONS WILL NOT BE AVAILABLE AFTER JANUARY 1. MR. KHAVRONSKY REFERRED ALL QUESTIONS WITH REGARD TO HARD CURRENCY COUPONS, SPECIAL GIFT PURCHASES AND GIFT PACKAGES TO V/O "VNESHPOSYLTORG" AND MINISTRY OF FOREIGN TRADE WITH STATEMENT THAT HE QTE ONLY BANKER UNQTE AND COULD NOT PROVIDE INFORMATION ON NON-BANKING MATTERS.

3. MR. KONONOVSKY, WITH WHOM EMBOFF DISCUSSED MATTER BY TELEPHONE, CONFIRMED THAT V/O "VNESHPOSYLTORG" WOULD NO LONGER ISSUE SPECIAL HARD CURRENCY CERTIFICATES FOR FOREIGN CURRENCY REMITTANCES AFTER FIRST OF YEAR. WHEN ASKED IF CERTIFICATES WOULD BE AVAILABLE FOR THOSE CATEGORIES OF REMITTANCES FOR WHICH PAYMENT OF THE 30 PERCENT DUTY IS WAIVED BY THE DECREE (ALIMONY, INHERITANCES, ETC.), MR. KONONOVSKY STATED THAT HE WAS UNSURE BUT BELIEVED THE ANSWER WAS NEGATIVE: IN ANY CASE "VNESHPOSYLTORG" WILL NOT ISSUE CERTIFICATES. MR. KHAVRONSKY AT THE BANK ALSO SAID THAT PERSONS RECEIVING THESE TYPES OF REMITTANCES WOULD HAVE TO ACCEPT PAYMENT IN RUBLES, SINCE THE DECREE ONLY PROVIDED FOR WAIVER OF THE DUTY AND NOT FOR PAYMENT IN HARD CURRENCY. KONONOVSKY, IN REPLY TO EMBOFF QUESTION, SAID THAT "VNESHPOSYLTORG" OPERATIONS, WHEREBY CERTAIN SOVIET GOODS SUCH AS AUTOMOBILES, APPLIANCES, ETC., COULD BE PRE-PURCHASED ABROAD AT SPECIAL FOREIGN CURRENCY PRICES (USUALLY ABOUT 20 PERCENT OF RUBLE PRICES) FOR DELIVERY TO SOVIET RECIPIENTS, WOULD ALSO CEASE AFTER JANUARY 1. AFTER THAT DATE APPARENTLY ONLY OPTION OPEN WILL BE PAYMENT IN RUBLES AT DOMESTIC SOVIET PRICES.

4. ACCORDING TO KONONOVSKY SPECIAL GIFT PACKAGES OPERATION (PARA 2 REFTEL A) WILL BE CONTINUED AFTER JANUARY 1. SOVIET DUTY MAY BE PAID EITHER AT TIME OF CONFIDENTIAL

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PURCHASE ABROAD IN HARD CURRENCY OR IN RUBLES BY RECIPIENT UPON RECEIPT. MR. KONONOVSKY WAS UNABLE TO PROVIDE INFORMATION ON PROCEDURE AND APPLICABLE DUTIES IN CASES WHERE INDIVIDUAL GIFT PACKAGES ARE SENT TO SOVIET RECIPIENTS BUT HE SPECULATED THAT DUTY WOULD DEPEND ON NATURE OF GOODS.

5. WITH REGARD QUESTIONS RAISED REFTEL C ON SOVIET

REGULATIONS FOR PACKAGES SENT FROM ABROAD, SAKHAROV AND OTHERS MAY BE CONCERNED ABOUT SUBJECT REGULATION OF FOREIGN CURRENCY REMITTANCES. HOWEVER, EMBASSY HAS ALSO HEARD RUMORS FROM DISSIDENT COMMUNITY THAT AFTER JANUARY 1 DUTY OF 100 PERCENT WILL BE IMPOSED ON PACKAGES FROM ABROAD. ALTHOUGH KONONOVSKY SAID HE BELIEVES RATES WOULD CONTINUE AT SAME LEVEL AS BEFORE, THERE COULD IN FACT BE NEW DUTY ON "VNESHPOSYLTORG" PACKAGES OR HIGHER DUTY MIGHT BE APPLICABLE TO PACKAGES OTHER THAN "VNESHPOSYLTORG" OPERATION. IN ANY CASE EMBASSY WILL TRY TO OBTAIN MORE INFORMATION FOR THIS QUESTION FROM SOVIET CUSTOMS AUTHORITIES. (FOR MUNICH: REFS A, B, AND D BEING REPEATED TO YOU.)

6. COMMENT - IN VIEW OF MFA OFFICIAL'S EARLIER STATEMENT THAT QTE ALL DETAILS UNQTE ON MATTER HAD BEEN RECEIVED FROM MINISTRY OF FINANCE, IT APPEARS FROM ABBREVIATED REPLY EMBASSY RECEIVED FROM MFA THAT CERTAIN DEGREE OF CENSORSHIP INVOLVED. EMBOFF WHO DISCUSSED SUBJECT WITH FOREIGN TRADE BANK AND "VNESHPOSYLTORG" OFFICIALS ALSO NOTED EXCESSIVE DEGREE OF NERVOUSNESS WHICH WOULD INDICATE MATTER MORE SENSITIVE THAN SIMPLE DISCUSSION OF SOVIET CUSTOMS AND FOREIGN CURRENCY REGULATIONS. IN FACT, KONONOVSKY, AFTER SECOND CALL FROM EMBOFF, NOT ONLY DECLINED TO MEET WITH EMBOFF FOR FURTHER ELABORATION OF DETAILS BUT INSISTED THAT FUTURE QUESTIONS BE DIRECTED TO APPROPRIATE MINISTRY OF FOREIGN TRADE OFFICIALS AND NOT TO QTE SIMPLE WORKER UNQTE SUCH AS HIMSELF.

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